

# MANAGEMENT MEMO

SUBJECT: <b>HIRING FREEZE</b>	NUMBER <b>01-</b>
	DATE ISSUED:
	EXPIRES: <b>June 30, 2003</b>
REFERENCES: <b>Executive Order D-48-01</b>	ISSUING AGENCY: <b>Department of Finance</b>

In response to the State's continuing fiscal difficulties, the Governor has issued Executive Order D-48-01 (copy attached). The hiring freeze prohibits new hires regardless of the funding sources for the position.

Agency Secretaries and other cabinet level officers will be responsible for administering and ensuring compliance with the provisions of this Executive Order. For those departments, which are not represented by cabinet, the Department of Finance (Finance) will be responsible for ensuring compliance. Any requests for exemption from provisions of the hiring freeze must be approved by Finance.

For purposes of administering this hiring freeze, new hires to State Government shall include all of the following, unless exempted by Finance,

1. Appointments of any persons not currently employed by the State, including permissive reinstatements, limited-term appointments, temporary authorization appointments (TAU), and retired annuitant appointments.
2. Increases in time base.
3. Promotions for current permanent or probationary employees (excluding promotions in place).
4. Appointments of seasonal employees.
5. Appointments of permanent intermittent employees.
6. Appointments of current employees to positions in addition to their current position(s).
7. Interdepartmental transfers of current permanent or probationary employees.

The following appointments are excluded from the freeze:

1. Emergency 60-day appointments as provided by Government Code Section 19888.1.
2. Mandatory reinstatements.
3. Appointments of employees currently serving a TAU in a lieu of a permanent appointment.

4. Appointments to positions which are exempt from civil service.
5. Employees who are separated due to layoff and are, therefore, placed on "Reemployment" lists.
6. Specified legislative and Executive Branch exempt positions authorized in Government Code Sections 18990 and 18992.
7. Intradepartmental transfers of current permanent or probationary employees.
8. Promotions in place for current permanent or probationary employees.
9. Appointments to positions providing direct care treatment and custody in prisons, special schools, hospitals, health care facilities, and fire fighting.
10. Hiring of public health safety and security personnel, as directed by the Governor, including personnel hired by the California Highway Patrol; Office of Emergency Services; Military Department; and the Department of Health Services personnel directly involved in public health safety and security.
11. Positions directly involved in producing State revenues.
12. Hiring of personnel to accelerate state funded construction projects in order to provide an economic stimulus.

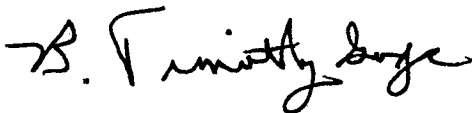
Agencies are directed not to increase the use of overtime or personal services contracts to circumvent the hiring freeze.

Consistent with the Constitutional separation of powers, the provisions of the Executive Order do not apply to Legislative and Judicial Branches of State Government. However, these branches of government are encouraged to participate.

The University of California and the California State Universities are requested to comply with the provisions of the Executive Order. Participation, however, should be limited to a level that will not interfere with meeting their educational mission.

The Department of Personnel Administration will soon issue memos reestablishing the State Restriction of Appointments program to avoid or minimize the displacement of State employees, and a moratorium on all classification or pay items that have an associated cost. These include the establishment of new classifications, classification modifications, reorganizations and changes to allocation guidelines.

Questions regarding this Management Memo should be directed to the appropriate Finance Program Budget Manager.

A handwritten signature in black ink, appearing to read "B. Timothy Gage". The signature is fluid and cursive, with the first name "B." and last name "Gage" clearly legible.

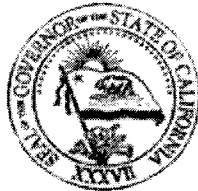
B. TIMOTHY GAGE  
Director

Attachment

EXECUTIVE DEPARTMENT

STATE OF CALIFORNIA

---



EXECUTIVE ORDER D-48-01  
by the  
Governor of the State of California

WHEREAS, the national and State economies are experiencing a significant slow down and as a result the State General Fund is experiencing a significant decline in revenue; and

WHEREAS, the tragic events of September 11 have resulted in major disruptions to large segments of the State and national economies, and introduced uncertainty into the State's economic outlook; and

WHEREAS, the implementation of increased public safety measures requiring additional law enforcement personnel at airports and other public facilities in the State has caused unexpected expenditures by the State; and

WHEREAS, there may be additional expenditures that will be required by the State resulting from the events of September 11 that are unknown at this time; and

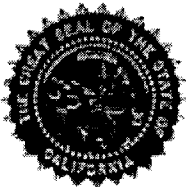
WHEREAS, when businesses are faced with declining revenues and increasing expenditures they take actions to reduce spending; and

WHEREAS, the State of California must take similar actions without delay to ensure that it lives within its means;

NOW, THEREFORE, I, GRAY DAVIS, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

1. All State agencies and departments, regardless of funding source, are prohibited

1. All State agencies and departments, regardless of funding source, are prohibited from filling vacancies that would constitute a new hire to State Government.
2. The above provision will not apply to the hiring of public health safety and security personnel, as directed by my office, including personnel hired by the California Highway Patrol, the Office of Emergency Services, the Military Department, and those Department of Health Services personnel directly involved in public health safety and security.
3. Provision 1 also will not apply to the hiring of personnel directly involved in (a) producing State revenues, (b) direct care treatment and custody in prisons, special schools, hospitals, and health care facilities, and (c) fire fighting.
4. Agency Secretaries and other Cabinet level positions will be responsible for ensuring compliance with the provisions of this Executive Order. For those departments that do not have Cabinet level representation, the Department of Finance will be responsible for ensuring compliance with the provisions of this Executive Order.
5. The provisions of this Executive Order shall not apply to the Legislative and Judicial branches of government. However, I invite these branches of government to participate.
6. For the purposes of this order, the University of California and the California State University System are requested to comply with the provisions of this Executive Order. Participation, however, should be limited to a level that will not interfere with meeting their educational mission.
7. The Department of Finance is hereby directed to coordinate the implementation of this Executive Order and may issue management memos and grant exemptions from its provisions, as appropriate.
8. This Executive Order will remain in effect until termination on June 30, 2003.



**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this the twenty-third day of October 2001.

/s/ Gray Davis

Governor of California